

AN ACT
RELATING TO THE DUTIES AND RESPONSIBILITIES OF INSURANCE
PRODUCERS UNDER INSURANCE POLICIES OR CONTRACTS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 522B.1, Code 2014, is amended by adding the following new subsection:

NEW SUBSECTION. 12A. "*Policy owner*" means a person who is identified as the legal owner of an insurance policy or contract under the terms of the insurance policy or contract, or who is otherwise vested with legal title to the insurance policy or contract through a valid assignment completed in accordance with the terms of the insurance policy or contract and is properly recorded as the legal owner of the policy or contract in the records of the insurer. "*Policy owner*" does not include a person who has a mere beneficial interest in an insurance policy or contract.

Sec. 2. Section 522B.11, subsection 7, Code 2014, is amended by adding the following new paragraphs:

NEW PARAGRAPH. c. Notwithstanding the holding in *Pitts v. Farm Bureau Life Ins. Co.*, 818 N.W.2d 91 (Iowa 2012), an insurance producer, while acting within the scope and course of the license provided for by this chapter, is not in the business of supplying information to others unless the requirements of paragraph "a" relating to expanded duties and responsibilities are met.

NEW PARAGRAPH. d. Neither an insurance producer nor an insurer has a duty to change the beneficiary of an insurance policy or contract unless clear written evidence of the policy owner's intent to change a beneficiary of the policy or contract is presented to the insurance producer or insurer

in the manner required by the policy or contract prior to the payment of any insurance benefits under the policy or contract. Such evidence shall be provided in the same manner as a claim for benefits under the policy or contract.

NEW PARAGRAPH. *e.* Notwithstanding the holding in *St. Malachy Roman Catholic Congregation v. Ingram*, 841 N.W.2d 338 (Iowa 2013), an insurance producer owes any duties and responsibilities referred to in this subsection only to the policy owner, the person in privity of contract with the insurance producer, and the principal in the agency relationship with the insurance producer.

KRAIG PAULSEN
Speaker of the House

PAM JOCHUM
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 398, Eighty-fifth General Assembly.

CARMINE BOAL
Chief Clerk of the House

Approved _____, 2014

TERRY E. BRANSTAD
Governor